

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

ITV DIRECT, INC.,)	
)	
Plaintiff,)	
)	
v.)	
)	
HEALTHY SOLUTIONS, L.L.C., et al.,)	
)	
Defendants.)	Civil Action No. 04-CV-10421-JLT
<hr/>)	
CAPPSEALS, INC.,)	
)	
Plaintiff-in-Intervention,)	
)	
v.)	
)	
HEALTHY SOLUTIONS, L.L.C., d/b/a)	
DIRECT BUSINESS CONCEPTS; ITV)	
DIRECT, INC.; and DIRECT)	
FULFILLMENT, LLC,)	
)	
Intervenor-Defendants.)	
<hr/>)	

**PLAINTIFF-IN-INTERVENTION'S CONCISE STATEMENT OF MATERIAL
FACTS**

EXHIBIT 1

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

ITV DIRECT, INC.,)
v.)
HEALTHY SOLUTIONS, L.L.C., et al,)
CAPPSEALS, INC.,)
v.)
HEALTHY SOLUTIONS, L.L.C., d/b/a)
DIRECT BUSINESS CONCEPTS; ITV)
DIRECT, INC.; and DIRECT)
FULFILLMENT, LLC,)
Intervenor-Defendants.)
Plaintiff,)
Defendants.)
Plaintiff-in-Intervention,)
v.)
Intervenor-Defendants.)
Civil Action No. 04 CV 10421 JLT
AFFIDAVIT OF HARRY N. ANDERSON,
III IN SUPPORT OF CAPPSEALS, INC.'S
MOTION FOR PARTIAL SUMMARY
JUDGMENT

OREGON

STATE OF WASHINGTON)
) ss.
County of Clark,)
 multnomah)

I, Harry N. Anderson, III, being first duly sworn, hereby depose and say:

1. I am a co-owner of Cappseals, Inc., a Washington corporation ("Cappseals"). I make this affidavit upon my own personal knowledge and, if called to testify, would testify in conformance with this affidavit.

2. In or around August 2003, defendant Healthy Solutions, LLC, dba Direct Business Concepts (“DBC”), a California limited liability company, began issuing purchase orders to Cappseals, a Washington corporation, on a weekly or near weekly basis requesting that Cappseals manufacture and bottle certain quantities of a product known as Supreme Greens with

MSM ("Supreme Greens") for \$2.95 per bottle. A true and correct copy of an example DBC purchase order, dated September 22, 2003, is attached as Exhibit A.

3. On or about November 11, 2003, DBC issued a standing purchase order to Cappseals requesting that Cappseals manufacture 50,000 bottles of Supreme Greens per week for shipment to Direct Fulfillment, LLC, in Beverly, Massachusetts, an affiliate of DBC's distributor ITV Direct, Inc., a Massachusetts corporation (Direct Fulfillment, LLC and ITV Direct, Inc. are collectively referred to herein as "ITV Direct"). A true and correct copy of this standing purchase order, dated November 25, 2003, is attached as Exhibit B.

4. Between December 29, 2003, and February 5, 2004, Cappseals made six weekly shipments to ITV Direct containing a total of approximately 303,644 bottles of Supreme Greens. True and correct copies of packing slips and bills of lading evidencing the shipment of these goods to ITV Direct are attached as Exhibit C.

5. DBC owes Cappseals approximately \$890,182.09 for the 303,644 bottles of Supreme Greens shipped to ITV Direct between December 29, 2003, and February 5, 2004. A true and correct copy of DBC's account statement with Cappseals is attached as Exhibit D. The entire sum of \$890,182.09 owed by DBC to Cappseals for these goods is past due and remains unpaid. DBC has acknowledged to Cappseals that it has an outstanding balance on its account in the amount of \$890,182.09, but asserts that it is without resources to pay this sum because of ITV Direct's refusal to pay DBC for these same goods.

////

////

////

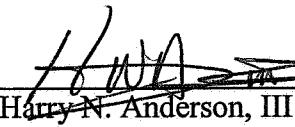
////

////

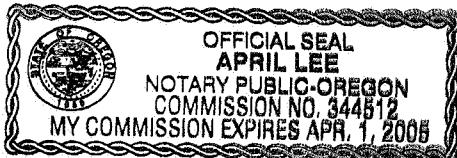
////

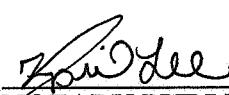
////

6. Neither DBC nor ITV Direct has ever notified Cappseals of any non-conformity relating to the 303,644 bottles of Supreme Greens shipped to ITV Direct.


Harry N. Anderson, III

SUBSCRIBED AND SWORN to before me this 22 day of June, 2004.




NOTARY PUBLIC FOR OREGON

Direct Business Concepts
9528 Miramar Road, Suite 100
San Diego, CA 92126

RECEIVED

SEP 29 2003

Purchase Order

Date	P.O. No.
9/22/2003	1019

Vendor

Cappscals
P.O. Box 820650
Vancouver, WA 98682

Ship To

Direct Fulfillment
100 Cummings Center
Suite #143H, Dock #144Q
Beverly, MA 01915

Qty	Description	Rate	Amount
30,000	Supreme Greens with MSM: Capsules	2.95	88,500.00
15,000	Supreme Greens with MSM: Powder	2.66	39,900.00
		Total	\$128,400.00

EXHIBIT A
PAGE 1 OF 1

Direct Business Concepts
9528 Miramar Road, Suite 100
San Diego, CA 92126

RECEIVED

NUV 26 2003

Purchase Order

Date	P.O. No.
11/25/2003	1022

Vendor
Cappseals
P.O. Box 820650
Vancouver, WA 98682

Ship To
Direct Fulfillment
100 Cummings Center
Suite #143H, Dock #144Q
Beverly, MA 01915

EXHIBIT B
PAGE 1 OF 1



P.O. Box 820650
Vancouver, WA 98682-0014
(360) 944-9420
(360) 944-9429 (Fax)

Nº 10647

PACKING SLIP

Date: 12/29/03

TO: Direct Fulfillment

S.O.# 4352

P.O. #: 1027 ~~1027~~ 1022

PRODUCT INFORMATION:

PACKING/FREIGHT INFORMATION:

Direct Focus
26 packets

TOTAL WT.: 23,400 ~~4~~

COUNTED BY:

VERIFIED BY:

RECEIVED BY:

EXHIBIT C
PAGE 1 OF 15

MEMORANDUM is an acknowledgment that a Bill of Lading has been issued and is not the Original Bill of Lading, nor is it, subject to individually determined rates or contracts that have been agreed upon in writing between carrier and shipper. It is a copy or duplicate, covering the property named herein, and is intended solely for filing or record, and are available to the shipper, on request:

FOCUS NORTH AMERICA, INC. *800-574-3581* X 103 Linda
Carrier

Carrier's Pro No. _____
Shipper's Bill of Lading No. _____
Consignee's Reference/PO No. _____
Carrier's Code (SCAC) _____

11607 N.E. 95th St., Vancouver, WA

from Direct Business Concepts

certified below in apparent good order, except as noted (Contents and condition of contents of packages unknown). Marked, consigned, and destined as indicated below, which said carrier (the word carrier being understood but this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to the usual place of delivery of said destination, if on its route, otherwise to deliver to another carrier on the route and hereunder shall be subject to all the terms and conditions of the Uniform Domestic Straight Bill of Lading set forth: (1) in Uniform Freight Classification in effect on the date hereof, if this is a rail or a rail-water shipment; or (2) in the motor carrier classification or tariff if this is a motor carrier shipment.

Carrier hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, set forth in the classification or tariff which governs the transportation of this shipment, and the said conditions are hereby agreed to by the shipper and accepted for himself and his consignee.

signed to **Direct Business Concepts** 707-975-299-2503

nation Severly State MA (Mail or street address of consignee—For purposes of notification only.)
City Address ★ 100 Cummings Ctr., S-3, 143, Dock 144-A Zip Code 01916 County _____

(★ To be filled in only when shipper desires and governing tariffs provide for delivery thereof.)

Car or Vehicle Initials		No.		
HAZ MAT		Weight (Sub. to Cor.)	Class or Rate	Check Column
14	Food Supplements	20,000	70	Subject to Section 7 of Conditions of applicable bill of lading. If this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement.
				The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.
				Signature of Consignor _____
				Freight charges are PREPAID unless marked collect.
				CHECK BOX IF COLLECT <input type="checkbox"/>
				Received <u>3</u> _____ to apply in prepayment of the charges on the property described herein.
				Agent or Cashier _____
				Per _____ (The signature here acknowledges only the amount prepaid.)
				Charges Advanced:
				\$ _____

PLACARDS PROVIDED FOR THIS LOAD

I certify that the above named materials are properly classified, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation. **IMPORTANT!** When shipping hazardous materials this information must be provided:

EMERGENCY CONTACT: 24 HOUR PHONE NUMBER:

if the shipment moves between two ports by a carrier by water, the law requires that the bill of lading state if it is "carrier's or shipper's weight." Where the rate is dependent on value shippers are required to state specifically in writing the agreed or declared value of the property.

Actual or declared value of the property is hereby specifically stated by the shipper to be not exceeding _____ limitation for loss or damage on this shipment may be applicable. See 49 U.S.C. § 14706(c)(1)(A) and (B).

per _____

These boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, other requirements of Uniform Freight Classification.

Imprint in lieu of stamp; not a part of bill of lading approved by the Interstate Commerce Commission.

Shipper, Per _____

Agent, Per _____

3

carbonless

ORM-63675/6P675 Rev. 5/98
UK (50 SETS) 6S675



P.O. Box 820650
Vancouver, WA 98682-0014
(360) 944-9420
(360) 944-9429 (Fax)

Nº 10674

PACKING SLIP

Date: 1/5/04

TO: Direct Fulfillment

S.O.# 4528

P.O. #: 1022

PRODUCT INFORMATION:

PACKING/FREIGHT INFORMATION:

Direct Focus Custom
16 pallets

TOTAL WT.: 15,360

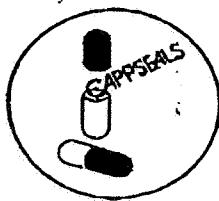
COUNTED BY:

VERIFIED BY:

RECEIVED BY

EXHIBIT C
PAGE 3 OF 15

Nº 10721



P.O. Box 820650
 Vancouver, WA 98682-0014
 (360) 944-9420
 (360) 944-9429 (Fax)

PACKING SLIP

Date: 1/14/04

TO: Direct Fulfillment

S.O.# 1022

P.O. #: 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
DBC.01.180	Supreme Green's	30101607	180	8x160x12	15,360 BTLS
DBC.01.180	Supreme Green's	30101608	180	12x160x12	23,040 BTLS
DBC.01.180	Supreme Green's	30101609	180	6x160x12	11,520 BTLS
DBC.02.82	Supreme Green's pnd	4010102	80	4x21x48	4,032 JARS
					Total <u>53,952 BTLS</u>

PACKING/FREIGHT INFORMATION:

Direct Focus

30 Skids

TOTAL WT.: 26,460 #

COUNTED BY:

VERIFIED BY:

RECEIVED BY:

THIS MEMORANDUM is an acknowledgment that a Bill of Lading has been issued and is not the Original Bill of Lading, nor a copy or duplicate, covering the property named herein, and is intended solely for filing or record. It is, subject to individually determined rates or contracts that have been agreed upon in writing between carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by carrier and are available to the shipper, on request.

FOCUS NORTH AMERICA, INC.

Carrier's Pro No. _____
Shipper's Bill of Lading No. _____
Consignee's Reference/PO No. _____
Carrier's Code (SCAC) _____

Carrier

11607 N.E. 95th St., Vancouver, WA

from **Direct Business Concepts**

Property described below in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned, and defined as indicated below, which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination, if on its route, otherwise to deliver to another carrier on the route agreed hereunder and to subject it to each carrier of all or any of said property over all or any portion of said route to destination and as to each party at any time interested in all or any said property, that every service to be rendered hereunder shall be subject to all the terms and conditions of the Uniform Domestic Straight Bill of Lading set forth (1) in Uniform Freight Classification in effect on the date hereof, if this is a rail or a rail-water shipment, or (2) in the cable motor carrier classification or tariff if this is a motor carrier shipment.

Shipper hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, set forth in the classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his consignee.

Shipped to **DIRECT BUSINESS CONCEPTS**

Phone # 971-299-2503

Destination **Beverly** State **MA** (Mall or street address of consignee—For purposes of notification only.) Zip Code **01915** County _____

Every Address ★ **100 Cummings Cir., S.e. 143, Dock 144-A**

(★ To be filled in only when shipper desires and governing tariff provide for delivery thereof.)

ute _____

Carriering Carrier

No.	HAZ MAT	Car or Vehicle Initials	Weight (Sub. to Cor.)	Class or Rate	No.
1	lets	Food Supplements	26,460	70	Subject to Section 7 of Conditions of applicable bill of lading, if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement.
					The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.
					(Signature of Consignor)
					Freight charges are PREPAID unless marked collect.
					CHECK BOX IF COLLECT <input type="checkbox"/>

PLACARDS PROVIDED FOR THIS LOAD

To certify that the above named materials are properly classified, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation. IMPORTANT! When shipping hazardous materials this information must be provided:

GENCY CONTACT:

24 HOUR PHONE NUMBER:

A shipment moves between two points by a carrier by water, the law requires that the bill of lading state whether it is "carrier's or shipper's weight." Where the rate is dependent on value shippers are required to state specifically in writing the agreed or agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding \$100. Limitation for loss or damage on this shipment may be applicable. See 49 U.S.C. § 14706(c)(1)(A) and (B).

per

Three boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, all other requirements of Uniform Freight Classification.

Focus North America, Inc.

Shipper, Per

Agent, Per

carbonless

EXHIBIT C

PAGE 6 OF 15

No 10752 ✓



P.O. Box 820650
 Vancouver, WA 98682-0014
 (360) 944-9420
 (360) 944-9429 (Fax)

PACKING SLIP

Date: 1/21/04

TO: Direct Fulfillment

S.O.# 4530P.O. #: 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
DEC.01.180	Supreme Greens Caps	4010121	180	5x192x12	11,520
DEC.01.180	Supreme Greens Caps	3101609	180	6x192x12	13,824
DEC.01.180	Supreme Greens Caps	3101608	180	2x192x12	4,608
DEC.01.180	Supreme Greens Caps	4010132	180	8x192x12	18,432
DEC.01.180	Supreme Greens Caps	3101607	180	2x192x12	4,608
DEC.01.180	Supreme Greens	4010141	180	2x192x12	4,608

Total 57,600

PACKING/FREIGHT INFORMATION:

Direct Business/Direct Focus
30 Skids

TOTAL WT.: _____

COUNTED BY:

VERIFIED BY:

RECEIVED BY:



P.O. Box 820650
Vancouver, WA 98682-0014
(360) 944-9420
(360) 944-9429 (Fax)

Nº 10753

PACKING SLIP

Date: 1/21/04

TO: Direct Fulfillment

S.O.# 4530

P.O. #: 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
	Supreme Greens purd	3100905	800	3x48	144 JARS
	Supreme Greens purd	4010104	800	19x48+14	926 JARS
	Supreme Greens purd	4010102	800	20x48+57	997 JARS
	Supreme Greens purd	3100905	800	63x48	3,024 JARS
				Total	5,091 JARS

PACKING/FREIGHT INFORMATION:

Direct Focus
30 Skids

TOTAL WT.:

COUNTED BY:

VERIFIED BY:

RECEIVED BY-

EXHIBIT C
PAGE 8 OF 15

DIFORM.
CARBONLESS SPEEDISET

SHORT FORM BILL OF LADING 6S675/6P675

3-PART

S SHIPPING ORDER must be legibly filled in, in ink, in Indelible Pencil, or in Carbon, and retained by the Agent, Vessel, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request:

FOCUS NORTH AMERICA, INC.

Carrier

Carrier's Pro No. _____
Shipper's Bill of Lading No. _____
Consignee's Reference/PO No. _____
Carrier's Code (SCAC) _____

12607 N.E. 95th St., Vancouver, WA

from Direct Business Concepts

property described below in apparent good order except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined as indicated below which said carrier (the word carrier being understood throughout this contract) or meaning any person or corporation in possession of the property under the contract, agreed to carry to its usual place of delivery or said destination, on its route, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed as to each carrier of oil or any of said property over all or any portion of said route to destination and as to such party at any time interested in all or any said property, that every service to be rendered hereunder shall be subject to all the terms and conditions of the Uniform Domestic Straight Bill of Lading set forth (1) in Uniform Freight Classification in effect on the date hereof if this is a rail or a rail-water shipment, or (2) in the table motor carrier classification or tariff if this is a motor carrier shipment.

Shipper hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, set forth in the classification or tariff which governs the transportation of this shipment, and the said conditions are hereby agreed to by the shipper and accepted for himself and his agents.

Assigned to **Direct Fulfillment** Ph# 978-299-2503

(Mail or street address of consignee. For purposes of notification only.)

Destination **Beverly**

State **MA**

Zip Code **01915**

County _____

Every Address ★ **100 Cummings Ctr., Ste. 143, Dock 144-A**

(★ To be filled in only when shipper desires and governing tariffs provide for delivery thereof.)

Route _____

Carrier

Car or Vehicle Initials

No. _____

No.	HAZ MAT	Car or Vehicle Initials	Weight (Sub. to Car.)	Class or Rate	Check Column	Subject to Section 7 of Conditions of applicable Bill of Lading. If the shipment is to be delivered to the consignee without charge on the consignee, the consignor shall sign the following statement.
0	548	Food Supplements	30,725	70		The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.

PLACARDS PROVIDED FOR THIS LOAD

To certify that the above named materials are properly classified, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation. **IMPORTANT!** When shipping hazardous materials this information must be provided:

EMERGENCY CONTACT:

24 HOUR PHONE NUMBER:

The shipment moves between two ports by a carrier by water, the law requires that the bill of lading state whether it is "carrier's or shipper's weight."

Where the rate is dependent on value shippers are required to state specifically in writing the agreed or agreed value of the property.

Agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding the limitation for loss or damage on this shipment may be applicable. See 49 U.S.C. § 1470d(c)(1)(A) and (B).

per

These boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, all other requirements of Uniform Freight Classification.

Shipper's Imprint in lieu of stamp; not a part of bill of lading approved by the Interstate Commerce Commission.

Received \$ _____ to apply in prepayment of the charges on the property described herein.

Agent or Cashier

Per _____
(The signature hereon acknowledges only the amount prepaid.)

Charged Advanced:

\$ _____

Shipper, per *D. 1/2/04* Agent must detach and retain this Shipping Order and must sign the Original Bill of Lading.

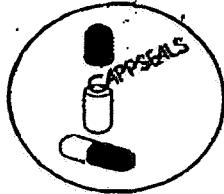
2

Current post-office address of shipper

DIFORM® 6S675/6P675 Rev. 5/98
YPAK (50 SETS) 69675

carbonless

EXHIBIT C
PAGE 9 OF 15



P.O. Box 820650
Vancouver, WA 98682-0014
(360) 944-9420
(360) 944-9429 (Fax)

Nº 10789

PACKING SLIP

Date: 1/29/04

TO: Direct Fulfillment

S.O.# 4531

P.O. #: 1022

PRODUCT INFORMATION

PACKING/FREIGHT INFORMATION:

Focus North America

30 Slides

TOTAL WT.: _____

COUNTED BY:

11

VERIFIED BY:

RECEIVED BY:

EXHIBIT C
PAGE 10 OF 15



P.O. Box 820650
Vancouver, WA 98682-0014
(360) 944-9420
(360) 944-9429 (Fax)

Nº 10790

PACKING SLIP

Date: 1/29/04

TO: Direct Fulfillment

S.O.# 4531

P.O. #: 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
DEC.01.180	Supreme Green's Caps	3101607	180	1x160x12	1,920 BTLS
DEC.01.180	Supreme Green's Caps	4010142	180	7x160x12	13,440 BTLS
DEC.01.180	Supreme Green's Caps	4010121	180	3x160x12	5,760 BTLS
DEC.01.180	Supreme Green's Caps	4010141	180	1x160x12	1,920 BTLS
DEC.01.180	Supreme Green's Caps	4010122	180	13x160x12	24,960 BTLS
				Total	48,000 BTLS

PACKING/FREIGHT INFORMATION:

Focus North America
30 pallets

TOTAL WT.: _____

COUNTED BY:

D. D.

VERIFIED BY:

RECEIVED BY:



P.O. Box 820650
Vancouver, WA 98682-0014
(360) 944-9420
(360) 944-9429 (Fax)

Nº 10827

PACKING SLIP

Date: 2/5/04

TO: Direct Fulfillment

S.O.# 4532

P.O. #: 1022

PRODUCT INFORMATION:

PACKING/FREIGHT INFORMATION:

Focus on North America

30 Skids

TOTAL WT.:

COUNTED BY:

RECEIVED
JULY 1961

~~VERIFIED BY:~~

RECEIVED BY:

EXHIBIT C
PAGE 13 OF 15



P.O. Box 820650
 Vancouver, WA 98682-0014
 (360) 944-9420
 (360) 944-9429 (Fax)

Nº 10826

PACKING SLIP

Date: 2/5/04

TO: Direct Fulfillment

S.O.# 4532

P.O. #: 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
DEC.01.180	Supreme Greens Caps	4010143	180	6x160x12	11,520 BTCS
DEC.01.180	Supreme Greens Caps	4010123	180	5x160x12	9,600 BTCS
DEC.01.180	Supreme Greens Caps	4010133	180	11x160x12	21,120 BTCS
DEC.01.180	Supreme Greens Caps	4010122	180	2x160x12	3,840 BTCS
DEC.01.180	Supreme Greens Caps	4010132	180	1x160x12	1,920 BTCS
				Total	48,000 BTCS

PACKING/FREIGHT INFORMATION:

Focus North America

30 Skids

TOTAL WT.: _____

COUNTED BY:

Dad

VERIFIED BY:

RECEIVED BY:

115 MEMORANDUM Is an acknowledgment that a Bill of Lading has been issued and is not the Original Bill of Lading, nor a copy or duplicate, covering the property named herein, and is intended solely for filing or record. GIVED, subject to individually determined rates or contracts that have been agreed upon in writing between carrier and shipper if applicable, otherwise to the rates, classifications and rules that have been established by carrier and are available to the shipper, on request:

FOCUS NORTH AMERICA, INC.

Carrier

Carrier's Pro No. 55898

Shipper's Bill of Lading No. _____

Consignee's Reference/PO No. _____

Carrier's Code (SCAC) _____

1007 N.E. 95th St., Vancouver, WA

from Direct Business Concepts

property described below in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined as indicated below, which said carrier (the word carrier being understood throughout this contract to mean any person or corporation in possession of the property under this contract) agrees to carry to its usual place of delivery at said destination, if on its route, otherwise to deliver to another carrier on the route and destination. If it is mutually agreed to be done, carrier of all or any portion of said route to destination and as to each party of any time interested in all or any said property, that every service to be given hereunder shall be subject to all the terms and conditions of the Uniform Domestic Straight Bill of Lading set forth (1) in Uniform Freight Classification in effect on the date hereof if this is a rail or a rail-water shipment, or (2) in the applicable motor carrier classification or tariff if this is a motor carrier shipment.

Shipper hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, set forth in the classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his consignee.

Consigned to Direct Fulfillment FAX 373-269-2503

Destination Beverly State MA (Mall or street address of consignee—For purposes of notification only) Zip Code 01915 County _____

Delivery Address ★ 100 Cummings Ctr., Ste. 143, Dock 144-A

(★ To be filled in only when shipper desires and governing tariffs provide for delivery thereof.)

Date _____

Delivering Carrier

Car or Vehicle Initials

No.

No. packages	HAZ MAT	Car or Vehicle Initials	*Weight (Lbs. to Car.)	Class or Rate	Check Column	Subject to Section 7 of Conditions of applicable bill of lading, if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement.
1		Focus Supplements	26,450	70		The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.

PLACARDS PROVIDED FOR THIS LOAD

I certify that the above named materials are properly classified, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation. IMPORTANT! When shipping hazardous materials this information must be provided.

EMERGENCY CONTACT:

24 HOUR PHONE NUMBER:

the shipment moves between two ports by a carrier by water, the law requires that the bill of lading state whether it is "carrier's or shipper's weight." NOTE: Where the rate is dependent on value shippers are required to state specifically in writing the agreed or declared value of the property.

Agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding \$100,000.00. Liability limitation for loss or damage on this shipment may be applicable. See 49 U.S.C. § 14706(c)(1)(A) and (B).

per

the fibre boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, and all other requirements of Uniform Freight Classification. Shipper's imprint in lieu of stamp; not a part of bill of lading approved by the Interstate Commerce Commission.

Gappseals, Inc 2/5/01 Shipper, Per D. Kubas

Agent, Per _____

3

EDIFORM 6S675/6P675 Rev. 5/98
DLYPAK (50 SETS) 6S675

carbonless

EXHIBIT C
PAGE 15 OF 15

STATEMENT

Page: 1

CAPPSEALS, INC.
P O Box 820650
Vancouver, WA 98682
(360) 944-9420

Direct Business Concepts
1042 N. Mountain Avenue
Upland, CA 91786

Statement of account

Statement Date: 02/29/04

Last day to pay or before

Salesperson:

Last Price: 3

Last Fee: 5

Customer No.: DBC 001

0.00

DATE	REFERENCE	DESCRIPTION	CHARGE	CREDIT	BALANCE
12/29/03	0035537-IN		147,538.35		147,538.35
01/05/04	0035559-IN		91,190.40		91,190.40
01/14/04	0035591-IN		157,989.12		157,989.12
01/21/04	0035626-IN		183,462.06		183,462.06
01/29/04	0035653-IN		154,995.76		154,995.76
02/05/04	0035682-IN		155,006.40		155,006.40

CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	TOTAL	890,182.09
						BALANCE DUE
155,006.40	587,637.34	147,538.35	0.00	0.00		890,182.09

EXHIBIT D
PAGE 1 OF 4

ACCOUNTS RECEIVABLE TRIAL BALANCE REPORT

CAPPSEALS, INC.

Statement of account ALL INVOICES

CUSTOMER/ INVOICE NO.	DATES			INVOICE AMOUNT	DISCOUNT AMOUNT	INVOICE BALANCE	TRANSACTION			CK. NO./ TYPE	DEPOSIT DATE
	INVOICE	DUE	DISCNT				TYPE	DATE	AMOUNT		
DBC 001 Direct Business Concepts	0035154 - IN 08/29/03	08/29		21,476.00	.00	.00	INV	08/29/03	21,476.00		
							PMT	09/30/03	21,476.00	WIRE	09/30/03
	0035193 - IN 09/16/03	09/16		53,241.60	.00	.00	INV	09/22/03	53,241.60		
							PMT	09/30/03	53,241.60	WIRE	09/30/03
	0035229 - IN 09/25/03	09/25		5,320.00	.00	.00	INV	09/30/03	5,320.00		
							PMT	10/01/03	5,320.00	WIRE	10/01/03
	0035230 - IN 09/25/03	09/25		33,807.00	.00	.00	INV	09/30/03	33,807.00		
							PMT	10/01/03	33,807.00	WIRE	10/01/03
	0035233 - IN 10/03/03	10/03		41,418.00	.00	.00	INV	10/07/03	41,418.00		
							PMT	11/10/03	41,418.00	9002133915	11/10/03
	0035271 - IN 10/08/03	10/08		4,425.00	.00	.00	INV	10/09/03	4,425.00		
							PMT	11/10/03	4,425.00	9002133915	11/10/03
	0035272 - IN 10/08/03	10/08		1,330.00	.00	.00	INV	10/09/03	1,330.00		
							PMT	11/10/03	1,330.00	9002133915	11/10/03
	0035277 - IN 10/10/03	10/10		58,368.70	.00	.00	INV	10/14/03	58,368.70		
							PMT	11/18/03	58,368.70	WIRE	11/18/03
	0035278 - IN 10/10/03	10/10		6,650.00	.00	.00	INV	10/14/03	6,650.00		
							PMT	11/18/03	6,650.00	WIRE	11/18/03
	0035279 - IN 10/10/03	10/10		1,356.60	.00	.00	INV	10/14/03	1,356.60		
							PMT	11/18/03	1,356.60	WIRE	11/18/03
	0035294 - IN 10/17/03	10/17		10,956.30	.00	.00	INV	10/21/03	10,956.30		
							PMT	11/25/03	10,956.30	DSCNT APPL	11/18/03
	0035295 - IN 10/17/03	10/17		18,779.70	.00	.00	INV	10/21/03	18,779.70		
							PMT	11/25/03	18,779.70	WIRE TSFER	11/25/03
	0035308 - IN 10/21/03	10/21		5,320.00	.00	.00	INV	10/23/03	5,320.00		
							PMT	12/08/03	5,320.00	WIRE TSFER	11/25/03
	0035323 - IN 10/24/03	10/24		69,720.30	.00	.00	INV	10/28/03	69,720.30		
							PMT	12/08/03	69,720.30	WIRE	12/08/03
	0035324 - IN 10/24/03	11/23		26,921.70	.00	.00	INV	10/28/03	26,921.70		
							PMT	12/08/03	26,921.70	WIRE	12/08/03
	0035325 - IN 10/24/03	10/24		21,450.24	.00	.00	INV	10/28/03	21,450.24		
							PMT	12/08/03	21,450.24	WIRE	12/08/03
	0035360 - IN 11/03/03	11/03		11,773.16	.00	.00	INV	11/04/03	11,773.16		
							PMT	12/19/03	11,773.16	DSCNT APPL	12/08/03
	0035361 - IN 11/03/03	12/03		15,039.64	.00	.00	INV	11/04/03	15,039.64		
							PMT	12/19/03	15,039.64	WIRE	12/19/03
	0035362 - IN 11/03/03	12/03		26,550.00	.00	.00	INV	11/04/03	26,550.00		
							PMT	12/19/03	26,550.00	WIRE	12/19/03
	0035376 - IN 11/07/03	12/07		57,064.80	.00	.00	INV	11/11/03	57,064.80		
							PMT	12/19/03	57,064.80	WIRE	12/19/03
	0035377 - IN 11/07/03	12/07		13,361.18	.00	.00	INV	11/11/03	13,361.18		
							PMT	12/19/03	13,361.18	WIRE	12/19/03
	0035399 - IN 11/14/03	12/14		12,874.40	.00	.00	INV	11/18/03	12,874.40		
							PMT	12/26/03	12,874.40	WIRE	12/26/03
	0035400 - IN 11/14/03	12/14		74,694.00	.00	.00	INV	11/18/03	74,694.00		
							PMT	12/26/03	74,694.00	WIRE	12/26/03
	0035406 - IN 11/19/03	12/19		37,170.00	.00	.00	INV	11/20/03	37,170.00		
							PMT	12/26/03	37,170.00	WIRE	12/26/03
	0035419 - IN 11/25/03	12/25		141,305.00	.00	.00	INV	11/30/03	141,305.00		
							PMT	01/07/04	141,305.00	DSCNT APPL	12/26/03
	0035442 - IN 12/03/03	01/02		118,944.00	.00	.00	INV	12/04/03	118,944.00		
							PMT	01/15/04	118,944.00	WIRE	01/07/04
	0035463 - IN 12/06/03	01/05		15,871.00	.00	.00	INV	12/09/03	15,871.00		
							PMT	01/21/04	15,871.00	WIRE	01/21/04
	0035464 - IN 12/06/03	01/05		89,479.40	.00	.00	INV	12/09/03	89,479.40		
							PMT	01/21/04	89,479.40	WIRE	01/21/04
	0035493 - IN 12/12/03	01/11		118,944.00	.00	.00	INV	12/15/03	118,944.00		
							PMT	01/30/04	118,944.00	WIRE	01/30/04
	0035532 - IN 12/19/03	01/18		147,511.80	.00	.00	INV	12/23/03	147,511.80		
							PMT	02/09/04	147,511.80	WIRE	02/09/04
	0035537 - IN 12/29/03	01/28		147,538.35	.00	147,538.35	INV	12/30/03	147,538.35		
							PMT	01/09/04	91,190.40	WIRE	01/09/04
	0035559 - IN 01/05/04	02/04		91,190.40	.00	91,190.40	INV	01/09/04	91,190.40		
							PMT	01/14/04	157,989.12	INV	01/14/04
	0035591 - IN 01/14/04	02/13		157,989.12	.00	157,989.12	PMT	01/14/04	157,989.12		
							INV	01/22/04	183,462.06	INV	01/30/04
	0035626 - IN 01/21/04	02/20		183,462.06	.00	183,462.06	PMT	01/21/04	183,462.06		
							INV	01/30/04	154,995.76	INV	01/30/04
	0035633 - IN 01/29/04	02/28		154,995.76	.00	154,995.76	PMT	01/29/04	154,995.76		
							INV	02/10/04	155,006.40	INV	02/10/04
	0035682 - IN 02/05/04	03/06		155,006.40	.00	155,006.40	PMT	02/09/04	155,006.40		
							ADJ	02/09/04	140,092.80	INV	02/12/04
	0035719 - IN 02/12/04	03/13		.00	.00	.00			140,092.80		

EXHIBIT D
PAGE 2 OF 4

ACCOUNTS RECEIVABLE TRIAL BALANCE REPORT

CAPPSEALS, INC.

Statement of account ALL INVOICES

CUSTOMER INVOICE NO.	DATES INVOICE DUE	INVOICE AMOUNT	DISCOUNT AMOUNT	INVOICE BALANCE	TRANSACTION		CK. NO.	DEPOSIT TYPE	DATE
					TYPE	DATE			
CUSTOMER DBC 001 TOTALS:		2,151,305.61	.00	890,182.09			890,182.09		
REPORT TOTALS:		2,151,305.61	.00	890,182.09			890,182.09		
NUMBER OF CUSTOMERS:	1								

EXHIBIT D
PAGE 3 OF 4

**DIRECT BUSINESS CONCEPTS
SHIPMENTS**
**DIRECT BUSINESS CONCEPTS
SHIPMENTS**

SORTED BY PO #:

Order Date	PO Number	Date Shipped	Total Ordered	Total Shipped	Quantity Shipped	Accum		
					Capsules	Powder	Over (under)	Over (under)
08/26/03	1015	09/02/03	25,000	25,328	7,280	0	328	328
"	"	09/12/03			18,048	0		328
09/05/03	1016	09/25/03	25,000	25,500	11,460	0	500	828
"	"	10/03/03			14,040	0		828
09/18/03	1018	09/23/03	30,000	30,000	0	2,000		828
"	"	10/08/03			1,500	500		828
"	"	10/10/03			19,786	2,500		828
"	"	10/17/03			3,714	0		828
09/29/03	1019	10/10/03	45,000	45,000	0	510		828
"	"	10/17/03			6,366	0		828
"	"	10/21/03			0	2,000		828
"	"	10/24/03			23,634	8,064		828
"	"	11/03/03			0	4,426		828
10/09/03	1021-11	10/24/03	160,000	179,127	9,126	0	19,127	19,955
"	"	11/03/03			9,000	5,654		19,955
"	"	11/07/03			19,344	5,023		19,955
"	"	11/18/03			37,920	4,840		19,955
"	"	11/25/03			47,900	0		19,955
"	"	12/03/03			40,320	0		19,955
10/09/03	1021-12	12/06/03	40,000	35,712	35,712	0		15,867
"	"	12/12/03	40,000	40,320	40,320	0	320	15,987
"	"	12/19/03	50,000	50,004	50,004	0	4	15,991
"	"	12/29/03	50,000	50,013	50,013	0	13	16,004
10/09/03	1022-01	01/05/04	50,000	30,912	30,912	0		(3,084)
"	"	01/14/04	50,000	53,952	49,920	4,032	3,952	868
"	"	01/21/04	50,000	62,691	57,600	5,091	12,691	13,559
10/09/03	1022-02	02/05/04	50,000	53,040	48,000	5,036	3,040	16,599
			50,000	53,040	48,000	5,040	3,040	19,639
Total bottles			715,000	734,639	679,919	54,716	19,639	

SORTED BY SHIP DATE

Date Shipped	PO Number	Total Shipped	Quantity Shipped	
			Capsules	Powder
09/02/03	1015	7,280	7,280	0
09/12/03	1015	18,048	18,048	0
09/23/03	1018	2,000	0	2,000
09/25/03	1016	11,460	11,460	0
10/03/03	1016	14,040	14,040	0
10/08/03	1018	2,000	1,500	500
10/10/03	1018	22,796	19,786	2,500
10/10/03	1019		0	510
10/17/03	1018	10,080	3,714	0
10/17/03	1019		6,366	0
10/21/03	1019	2,000	0	2,000
10/24/03	1019	40,824	23,634	8,064
10/24/03	1021		9,126	0
11/03/03	1019	19,080	0	4,426
11/03/03	1021-11		9,000	5,654
11/07/03	1021-11	24,367	19,344	5,023
11/18/03	1021-11	42,780	37,920	4,840
11/25/03	1021-11	47,900	47,900	0
12/03/03	1021-11	40,320	40,320	0
12/06/03	1021-12	35,712	35,712	0
12/12/03	1021-12	40,320	40,320	0
12/19/03	1021-12	50,004	50,004	0
12/29/03	1021-12	50,013	50,013	0
01/05/04	1022-01	30,912	30,912	0
01/14/04	1022-01	53,952	49,920	4,032
01/21/04	1022-01	62,691	57,600	5,091
01/29/04	1022-01	53,036	48,000	5,036
02/05/04	1022-02	53,040	48,000	5,040

734,635 679,919 54,716

EXHIBIT D**PAGE 4 OF 4**